



Special Finance Committee Meeting
Tuesday, November 29, 2022 - 6:00 PM
AGENDA

1. Call to Order
2. Action on Minutes
 - a. November 15, 2022
3. Budget 2023
4. Other Business
5. Adjourn



Finance Committee
Tuesday, November 15, 2022 - 5:00 PM
MINUTES

1. Call to Order

Committee Chair Donald Barnard called the Finance Committee meeting for November 15, 2022 to order at 5:03 pm

Members Present - Don Barnard, Jon Merriman, Bob Orsini
Absent - None

Staff present - Sean Staneart, Charlie Campbell, Nicole Shook, Jack Liggett, Rusty Smart, Kathee Ingram (remote), Teresa Monroe.

Public present - Cheryl Robertson

2. Action on Minutes

a. October 18, 2022

ACTION: Jon Merriman moved to approve; Bob Orsini seconded and all were in favor
AYES: Jon Merriman, Donald Barnard, Bob Orsini
NOES: None
ABSTAIN: None

Passed 3 - 0

3. New Water & Sewer Plant Financial Discussion - skipped

4. Integrity Financial - Kathee Ingram

Kathee Ingram with Integrity Bookkeeping joined the meeting remotely to update the committee on their current activity as Finance Director on behalf of the city. They are working to update the state auditor on amended appropriations for 2022 not done by the former fiscal officer, they have been reviewing employee benefits, reviewing costs in the street department and making sure they have all of their numbers correct for debt and what is coming for new projects. Concerns noted by Ms. Ingram on employee benefits with receiving news that health care costs will increase by 14.85 percent just on the premium, the city also offers an HSA and HRA above that and the cost of those benefits is tremendous. Her opinion is that it is too burdensome of a cost to not have a portion shared by the employee and then to have the HSA and HSA on top of that, she does not see that level of expense as sustainable going forward; her recommendation is to make changes in 2023. They advise that employees should pay twenty percent toward their premium cost which is still an exceptional plan with a very low out of pocket cost per family, they would get rid of the HRA completely and manage the HSA because it works in conjunction with

the health care, but have a cap so that everyone receives the same level of benefit whether single or family. Committee discussion on future options relative to current city policies, it was noted that current benefit will remain as it has for 2023 due to it being so late in the year but that changes will need to be made for the future. Discussion on concern for revenues and expenses in the street department, staffing numbers, wage costs and retention. Ms. Ingram also expressed concern for the city debt level on projects, staff continues to review commitments, discussion on revenue streams. Ms. Ingram advises a halt on any new projects for 2023 that need additional funds or would incur any new debt not already in the works.

5. Personnel Pay

Don Barnard said there are five employees to discuss for payroll matters. The Utility Billing Clerk has given notice that she will be leaving, this is her last week, interviews for the position are under way. Mr. Barnard said that he has spoken to Meghan Ward (Mayors Court Clerk and PD admin) who will be helping out and train for water billing and the front office until we get a new person trained. Discussion on staffing, the new utility billing software transition and staff time; some recommendations will be forthcoming on in person office hours, people have the ability to pay online and to drop payments in the drop box. Mr. Barnard said that for Meghan, since she will be coming back and forth between the two departments, he proposes a \$2.00 per hour stipend for as long as she is doing both jobs. He proposes a \$5.00 per hour stipend for Teresa Monroe because she has picked up multiple other duties with the office changes that will not be fixed anytime soon. He proposes a wage increase for Police Officer Gary Hargraves from \$27.19 to \$29.09 and a wage increase for Officer Fiffe from \$23.63 to \$25.50, this brings them to a range in line with their peers. Recommendations can be brought to full council. Bob Orsini asked for feedback from staff on office structure and what the office staff looks like long term for the administrative functions. Sean Staneart and Teresa Monro to give thought and provide recommendations to council. Don Barnard said that Sean Staneart was hired in April as the Assistant City Manager, his pay was \$50,000 per year, a \$3,000 paid medical deductible and an extra \$1,096.00 per month for his insurance as he stayed on his own plan. Mr. Barnard said he is the City Manager now and there are a couple different things they need to look at now, the last city manager got a \$3,000 per month stipend, he has talked to Seand who would like to see at least a \$1,250.00 per month stipend to continue the role, along with the continued \$3,000.00 medical deductible and continued insurance being paid, which he believes will go up about \$50.00 per month. They also need to look at next year and where they want that pay to be. Discussion on department positions already plugged into the budget.

ACTION:	Jon Merriman moved to recommend the stipends discussed to Council; Bob Orsini seconded and all were in favor.
AYES:	Jon Merriman, Donald Barnard, Bob Orsini
NOES:	None
ABSTAIN:	None

Passed 3 - 0

ACTION:	Jon Merriman moved to recommend approval of the police officer wage increases discussed to council; Bob Orsini seconded and all
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were in favor.
AYES: Jon Merriman, Donald Barnard, Bob Orsini
NOES: None
ABSTAIN: None

Passed 3 - 0

6. Insurance 2023 – discussed previously by Kathee Ingram

7. 2023 Budget

Review of projected available funds. Discussion on carryover, General Fund balance and Budget Stabilization balance. Discussion on water and sewer operating expenses, revenues are not enough to support the expenses right now. The five percent annual increases to rates passed in 2020 were structured to help pay for the new water plant, Mr. Staneart said we are three years in and we are not balancing so there is no leftover to go toward a water plant payment. He is continuing to review and will have a recommendation for a rate increase to get them stable and what needs to happen going forward for the water and sewer plant expansions. Jack Liggett said after the 1.1 million dollar water line was run to New Day, there was a \$64,000 per year payment in lieu of taxes being made, the first six years it was to go to water debt to pay for the water line then after that it was to go to the General Fund, which would help the debt service. Mr. Liggett said it was found that the \$64,000 did not go into the water debt fund, instead, finance put it into the police department fund, Mr. Liggett asked if there was a plan to return that money to where it should be. Mr. Staneart said he will have to look into that and identify that on the revenue side. Mr. Barnard provided a schedule of all wages and benefits back to 2020 for each department and a capital projects and debt breakdown. It was noted that in future years, vehicle purchases will be included in the department operating expense so it does not go into CIP, they will be managed by the department. Also provided was the expense budget for the city, 2023 appropriations with corresponding operating budget, committee to review all schedules and ask any questions they have prior to next meeting. Sean Staneart to look into a rate study. Jack Liggett said he is working on narrowing down plant equipment, they have the CMAR with the water department and next May, June or July they will be ready to start ordering equipment for the new plant because of long lead times so it they plan to back out of this they need to let them know. It was stated that the goal is still to move forward with the new plant.

Mr. Barnard said that the finances are not pretty right now, they have a lot of hard decisions to make in the next few months, he has sent finance committee members information from RITA on an increase in tax and what that would look like for the city, they have to get the finances in order to get the city where it needs to be. There is a lot of work to do but he thinks they can get it done and put the city in a much better spot for the future.

8. Other Business

None

9. Adjourn

With no further business, the meeting adjourned approximately 6:20 pm